Current rate of inflation

1558. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the current rate of inflation in comparison to what it was six months ago;

(b) whether it is fact that inflation has declined;

(c) if so, whether it is also a fact that the cost of essentials from oil to onions has gone through the roof resulting in hike of grocery bill of housewives by 25 per cent in the last one year; and

(d) the steps Government has taken to address the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The inflation measured in terms of WPI for all commodities has decelerated during the current financial year and reached to low of 3.02 per cent in October, 2007. Annual increase in prices of 31 essential commodities and edible oils has also moderated in recent months from April, 2007 as in indicated below:

Annual year-on-year inflation(%)

Period	All Comm.	Essential Comm.	Onion	Edible Oils
Weight(%)	100.00	17.63	0.9	2.76
Apr-2007	6.28	3.26	53.83	15.02
May-2007	5.46		33.60	14.07
Jun-2007	4.53	0.85	55.18	14.65
Jul-2007	4.71	2.84	90.55	15.81
Aug-2007	4.14	2.73	112.49	12.64
Sep-2007P	3.32	1.19	103.38	10.63
Oct-2007P	3.02	0.50	108.88	11.30

P-Provisional

(d) Containment of inflation remains high on the agenda of the Government. Anti-inflationary policies of the government include strict fiscal and monetary discipline, rationalization of duties of essential items so that there is no undue burden on the poor, effective supply-demand management of essential commodities through liberal tariff and trade policies, and strengthening the public distribution system.

Minimum support price of cotton

1559. SHRI MANOHAR JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that higher production cost of cotton, lower Minimum Support Price (MSP) of cotton and import of cotton have exaggerated the situation of the farmers in Maharashtra;

(b) whether it is also a fact that there is a big gap between MSP and production cost of the cotton;

(c) if so, whether Government has any proposal to increase MSP and also to increase import duty on cotton;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) Cost of production of cotton in India, in terms of weighted average A2+FL cost *viz.* all expenses in cash and kind including rent paid for leased-in land and imputed value of wages of family labour and the Minimum Support Prices of Cotton by variety during the period from 2005-06 to 2007-08 are given as under:

(Rs. per quintal)

Year	2005-06	2006-07	2007-08
Weighted average A2+FL cost:	1549	1539	1528
MSP for medium staple (F-414/H-777/J34)	1760	1770	1800
MSP for short staple (H-4)	1980	1990	2030

Government fixes the Minimum Support Prices (MSPs) for two basic varieties of cotton for the country as a whole on the basis of recommendations of the Commission for Agricultural Cost & Prices (CACP). The Textile Commissioner, Ministry of Textile fixes the MSP for other varieties of cotton after taking into the differentials in quality of cotton and their market prices. While recommending the MSP, the CACP takes into account the relevant factors including the cost of production. The basic objective of the Government is to ensure remunerative prices to growers for their produce with a view to encouraging higher investment and production.

The import of cotton is under Open General License (OGL) since 19.4.1994. The existing basic custom duty on import of raw cotton is 10 per cent.

NPAs of Nationalized Banks

1560. SHRI NARESH GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) what is the quantum of Non-Performing Assets (NPAs) of Nationalized Banks in the last three years;

(b) how do they compare with the NPAs of private sector banks; and

(c) what steps are being taken to improve the operations of the Nationalized Banks at the Board level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (b) The details of net non-performing assets of public sector and private sector banks for the last three years are as under:—

(Rs. in crore)

Banks	March 05	March 06	March 07
Public Sector Banks	16,904	14,566	15,145
	(2.1)	(1.3)	(1.1)
New Private Sector Banks	2,353	1,796	3,137
	(1.9)	(0.8)	(1.0)
Old Private Sector Banks	1,859	1,375	891
	(2.7)	(1.7)	(1.0)

(Figures in brackets indicate % to net advances)